

The opinion in support of the decision being entered today was **not** written for publication and is **not** binding precedent of the Board.

Paper No. 28

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UNITED STATES PATENT AND TRADEMARK OFFICE

**AUG 3 0 2002**

BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

PAT. & T.M. OFFICE  
BOARD OF PATENT APPEALS  
AND INTERFERENCES

Ex parte MICHAEL MOVALLI, and BRIAN MOVALLI

Appeal No. 2000-1962  
Application No. 08/697,421

ON BRIEF

Before BARRETT, RUGGIERO, and GROSS, Administrative Patent Judges.  
RUGGIERO, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on the appeal from the final rejection of claims 1-27 and 29-31. Claim 28 was canceled earlier in the prosecution. An amendment filed November 23, 1999 after final rejection was denied entry by the Examiner. A further amendment filed April 19, 2000 after final rejection, which amended claims 3, 4, and 14 and canceled claim 24, was approved for entry by the Examiner. Accordingly, only the rejection of claims 1-23, 25-27, and 29-31 is before us on appeal.

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The claimed invention relates to a method and system for generating a secure endorsed transaction. Transaction data and a unique identifier are received as inputs, and a unique code is generated which constitutes a secure endorsement of the transaction by a party corresponding to the unique identifier.

Claim 1 is illustrative of the invention and reads as follows:

1. A computer-implemented method of generating secure endorsed transactions, the method comprising:

receiving transaction data corresponding to a transaction and at least one unique human identifier; and

generating a unique code from the transaction data and the unique human identifier, wherein the unique code constitutes a secure endorsement of the transaction by the party corresponding to the unique human identifier.

The Examiner relies on the following prior art:

Griffith et al. (Griffith)	4,825,050	Apr. 25, 1989
Spies et al. (Spies)	5,689,565	Nov. 18, 1997
		(filed Jun. 29, 1995)

Donald W. Davies (Davies), "Use of the 'Signature Token' to Create a Negotiable Document," Advances in Cryptology: Proceedings of Crypto 83, 377-82 (1983).

Claims 1-23, 25-27, and 29-31 stand finally rejected under 35 U.S.C. § 103. As evidence of obviousness, the Examiner offers Davies in view of Griffith with respect to claims 1-4 and 25-27, and adds Spies to the basic combination with respect to claims 5-23 and 29-31.

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Rather than reiterate the arguments of Appellants and the Examiner, reference is made to the Briefs<sup>1</sup> and Answer for the respective details.

#### OPINION

We have carefully considered the subject matter on appeal, the rejection advanced by the Examiner, the arguments in support of the rejection and the evidence of obviousness relied upon by the Examiner as support for the rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, Appellants' arguments set forth in the Briefs along with the Examiner's rationale in support of the rejection and arguments in rebuttal set forth in the Examiner's Answer.

It is our view, after consideration of the record before us, that the Examiner has not established a prima facie case of obviousness with respect to claims 1-23, 25-27, and 29-31. Accordingly, we reverse.

We also use our authority under 37 CFR § 1.196(b) to enter a new ground of rejection of claims 1. The basis for these conclusions will be set forth in detail below.

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<sup>1</sup> The Appeal Brief was filed April 19, 2000 (Paper No. 23). In response to the Examiner's Answer dated July 19, 2000 (Paper No. 24), a Reply Brief was filed September 21, 2000 (Paper No. 25), which was acknowledged and entered by the Examiner in the communication dated January 31, 2001 (Paper No. 27).

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In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the Examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir.), cert. denied, 488 U.S. 825 (1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985), cert. denied, 475 U.S. 1017 (1986); ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the Examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2d 1443, 1444 (Fed. Cir. 1992).

With respect to independent claim 1, the Examiner, as the basis for the obviousness rejection, proposes to modify the secure endorsed transaction disclosure of Davies. According to the Examiner (Answer, page 4), Davies discloses the claimed invention except for a teaching that "... a 'human' identifier, e.g. a biometric, can be used with such an encryption scheme to further enhance security." To address this deficiency, the Examiner turns to the secure transaction system disclosed by Griffith which, as pointed out by the Examiner, includes the use of an individual identifier in the form of a biometric such as a finger print or a retinal scan pattern (Griffith, column 2, lines 39-53). In the Examiner's analysis (id.), the skilled artisan would have found it obvious to include Griffith's human identifier in the system of Davies "... because this would make it more difficult for a thief to use a stolen smart card, as taught by Griffith to create the negotiable documents taught by Davies."

In response, Appellants contend that the Examiner has failed to set forth a prima facie case of obviousness since proper motivation for the Examiner's proposed combination has not been established. After reviewing the disclosures of the Davies and Griffith references, in light of the arguments of record, we are in general agreement with Appellants' position as stated in the

Briefs. Our interpretation of the disclosure of Davies coincides with that of Appellants, i.e., there is no indication in Davies that a unique identifier is used in the generation of digital signature 16 which the Examiner has identified as corresponding to the claimed generated unique code. In reaching this conclusion, we construe the claimed feature of "a unique human identifier" to be very narrowly defined, as argued by Appellants and disclosed in the instant specification, as an identifier which is "...associated with an individual that is unique to the individual and non-transferable." (Specification, page 14, lines 18-21).

We agree with Appellants' assertion (Brief, pages 14 and 15) that, from every indication in Davies, the customer identity item (5 in Davies' Figure 1), identified as the unique identifier in the statement of the grounds of rejection at page 4 of the Answer, is not used in the generation of the digital signature. To the contrary, the description of Davies' Figure 1 indicates that only data items 9-15 are involved in the generation of the digital signature 16.

We are cognizant of the fact that the Examiner, in the "Response to Argument" portion of the Answer at page 10, suggests that, contrary to Appellants' contention, a unique identifier is in fact used to create Davies' digital signature. In drawing this

conclusion, the Examiner is apparently relying on the description of the signature token (Davies, page 380) as incorporating a secret key, which the Examiner asserts (id.) is "... essentially a unique human identifier." We find no basis in the disclosure of Davies to support this conclusion. The Examiner must not only make requisite findings, based on the evidence of record, but must also explain the reasoning by which the findings are deemed to support the conclusion of obviousness. See In re Lee, 277 F.3d 1338, 1343, 61 USPQ2d 1430, 1433-34 (Fed. Cir. 2002). The only previous reference to a secret key in the disclosure of Davies is at page 378 which, as an example of a secret key, refers to "... one which is general to a card issuer."

Given the above deficiencies in Davies, we agree with Appellants that proper motivation for the Examiner's proposed combination of Davies and Griffith has not been established. Our review of Davies reveals a lack of concern with the unique identification of a party to a transaction, as defined by Appellants, let alone a unique identification that is used to generate a unique code for a secure transaction. Given this lack of disclosure in Davies, we find no basis for the Examiner's proposed addition of the human identifier teachings of Griffith to those of Davies. In our view, any suggestion to add such a human identifier feature as taught by

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Griffith to the system of Davies could only come from Appellants' own disclosure, and not from any teachings in the prior art references themselves.

In view of the above discussion, since the Examiner has not established a prima facie case of obviousness, the 35 U.S.C. § 103 rejection of independent claim 1, as well as claims 2-4 and 25-27 dependent thereon, based on the combination of Davies and Griffith is not sustained.

Turning to a consideration of the Examiner's obviousness rejection of claims 5-23 and 29-31 in which Spies is added to the combination of Davies and Griffith, we do not sustain this rejection as well. According to the Examiner's stated analysis (Answer, page 5), Spies has been added to address the network environment features of the appealed claims. A review of each of the independent claims, i.e., claims 5, 11, 15, 16, 19, and 23, in this rejected group, however, reveals that they each require the generation of a unique code from transaction data and a unique identifier, limitations which are identical to those set forth in independent claim 1 discussed supra. We find nothing in the disclosure of Spies which corrects the previously discussed deficiency which we found in the Examiner's proposed combination of Davies and Griffith with respect to independent claim 1.



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Rejection under 37 CFR § 1.196(b)

We make the following new ground of rejection using our authority under 37 CFR § 1.196(b). Claim 1 is rejected under 35 U.S.C. § 102(b) as being anticipated by Griffith (U.S. Patent No. 4,825,050, of record, and cited and applied by the Examiner in this appeal). Griffith discloses, in particular at Figure 4A and the accompanying description beginning at column 4, line 60, a method of generating a secured endorsed transaction including receiving a unique human identifier (individual identification 412) along with data 404, 408, 409, and 410 corresponding to a transaction. The characteristics of the unique identifier are provided at column 2, lines 39-53 of Griffith. As further indicated in Figure 4A, a unique code in the form of a transaction information record 403 is generated using the unique human identifier 412 and the transaction data 404, 408, 409, and 410.

Although the Griffith reference has been applied only against independent claim 1, this is not to be taken as an indication of the patentability of any of the other claims on appeal. In any resumption of the prosecution of this application before the Examiner, the Examiner should consider the applicability of Griffith, and any other discovered prior art, to all of the pending claims. We would also point out that, in addition to the unique

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code generation procedure illustrated in Figure 4A, Griffith also describes a verification procedure in Figure 4B in which the individual components of the transaction record are extracted and recalculation and comparison operations are performed.

In summary, we have reversed the Examiner's 35 U.S.C. § 103 rejection of claims 1-27 and 29-31. We have entered a new ground of rejection against claim 1 under 37 CFR § 1.196(b).

As indicated supra, this decision contains a new ground of rejection pursuant to 37 CFR § 1.196(b) (amended effective Dec. 1, 1997, by final rule notice, 62 Fed. Reg. 53131, 53197 (Oct. 10, 1997), 1203 Off. Gaz. Pat. Office 63, 122 (Oct. 21, 1997)). 37 CFR § 1.196(b) provides that, "A new ground of rejection shall not be considered final for purposes of judicial review."

37 CFR § 1.196(b) also provides that the appellants, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of proceedings (§ 1.197(c)) as to the rejected claims:

(1) Submit an appropriate amendment of the claims so rejected or a showing of facts relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the application will be remanded to the examiner. . . .

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(2) Request that the application be reheard under § 1.197(b) by the Board of Patent Appeals and Interferences upon the same record. . . .

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

REVERSED

37 CFR § 1.196(b)

Lee E. Barrett  
LEE E. BARRETT

LEE E. BARRETT  
Administrative Patent Judge

JOSEPH F. RUGGI

JOSEPH F. RUGGIERO  
Administrative Patent Judge

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